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Westly Reports Mid-Year Revenue

SACRAMENTO – State Controller Steve Westly announced today that the growth in California’s cash receipts for the first half of the fiscal year is up \$3.8 billion over the same period last year, a 10.4 percent increase.

“Starting the New Year with news of growth is no reason to throw a party when we have an ongoing budget deficit,” Westly said. “Before we celebrate, the Governor needs to get serious about going after the \$6.5 billion every year the state is owed but isn’t collecting. That’s ongoing revenue that would reduce the structural deficit.”

Westly has led collection efforts that have brought \$3.5 billion to the state. Governor Schwarzenegger last year vetoed four bills that would have cracked down on tax cheats and raised millions for the state budget.

Actual receipts to date for the current fiscal year are \$2.4 billion higher than forecast in the budget, an increase of 6.3 percent. Gains in key revenue sources – including income and retail sales taxes – are ahead of budget estimates for the year.

December retail sales tax receipts were \$2.65 billion, 24.5 percent ahead of budget estimates and 30.3 percent higher than the same month last year. Income taxes for December were \$4.2 billion, 0.1 percent below budget estimates and 0.3 percent higher than the same month last year.

According to the State Controller’s monthly General Fund Cash Basis Revenue Report, July through December receipts continued to show gains compared to the same six months of last fiscal year. Retail sales and use taxes were 10 percent higher; personal income taxes were 7.2 percent higher; and corporation taxes were 21.9 percent higher.

Retail sales and use taxes came in at \$13.3 billion this year, \$1.2 billion above the same period last fiscal year. Personal income taxes totaled \$19.5 billion, \$1.3 billion above last year. Corporation taxes yielded \$4.7 billion, \$840.7 million above last year.

Excerpt of General Fund Cash Basis Revenue report follows.

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General Fund Cash Basis Revenues for the Month of December 2005 *
Comparison of Actual Amounts to 2005-06 Budget Act Estimate
In thousands

	Month of December		Actual Over or (Under) Estimate	
	Actual	Budget Act Estimate	Amount	%
Alcoholic Beverage Excise Tax	26,858	27,000	(142)	(0.5)
Corporation Tax	1,738,652	1,210,000	528,652	43.7
Cigarette Tax	14,862	10,000	4,862	48.6
Estate, Inheritance, and Gift Tax	4,064	-	4,064	-
Insurance Companies Tax	502,252	484,000	18,252	3.8
Personal Income Tax	4,181,187	4,186,000	(4,813)	(0.1)
Retail Sales and Use Taxes	2,650,473	2,129,000	521,473	24.5
Pooled Money Investment Interest	26,810	23,000	3,810	16.6
Not Otherwise Classified	207,022	350,000	(142,978)	(40.9)
Total Revenues	<u>9,352,180</u>	<u>8,419,000</u>	<u>933,180</u>	11.1

General Fund Cash Basis Revenues for the Fiscal Year through December 2005 *
Comparison of Actual Amounts to 2005-06 Budget Act Estimate
In thousands

	July 1 through December 31		Actual Over or (Under) Estimate	
	Actual	Budget Act Estimate	Amount	%
Alcoholic Beverage Excise Tax	164,254	164,000	254	0.2
Corporation Tax	4,685,046	3,564,000	1,121,046	31.5
Cigarette Tax	60,931	60,000	931	1.6
Estate, Inheritance, and Gift Tax	106,092	69,000	37,092	53.8
Insurance Companies Tax	1,093,038	1,033,000	60,038	5.8
Personal Income Tax	19,524,577	18,527,000	997,577	5.4
Retail Sales and Use Taxes	13,253,504	12,949,000	304,504	2.4
Pooled Money Investment Interest	181,263	139,000	42,263	30.4
Not Otherwise Classified	1,478,651	1,629,000	(150,349)	(9.2)
Total Revenues	<u>40,547,356</u>	<u>38,134,000</u>	<u>2,413,356</u>	6.3

* This information is based upon funded cash. Funded cash is cash reported to and recorded in the records of the State Controller's Office. Amounts reported as funded cash may differ from amounts in other reports to the extent there are timing differences in the recording of in-transit items.

General Fund Cash Basis Revenues for the Month of December 2005 *

Comparison of December 2005 to December 2004

In thousands

	Month of December		Comparison	
	2005	2004	Amount	%
Alcoholic Beverage Excise Tax	26,858	32,138	(5,280)	(16.4)
Corporation Tax	1,738,652	1,222,928	515,724	42.2
Cigarette Tax	14,862	14,462	400	2.8
Estate, Inheritance, and Gift Tax	4,064	38,934	(34,870)	(89.6)
Insurance Companies Tax	502,252	471,924	30,328	6.4
Personal Income Tax	4,181,187	4,170,408	10,779	0.3
Retail Sales and Use Taxes	2,650,473	2,034,811	615,662	30.3
Pooled Money Investment Interest	26,810	9,317	17,493	187.8
Not Otherwise Classified	207,022	196,783	10,239	5.2
Total Revenues	<u>9,352,180</u>	<u>8,191,705</u>	<u>1,160,475</u>	14.2

General Fund Cash Basis Revenues for the Fiscal Year through December 2005 *

Comparison of Fiscal Year 2005-06 to 2004-05

In thousands

	July 1 through December 31		Comparison	
	2005	2004	Amount	%
Alcoholic Beverage Excise Tax	164,254	163,147	1,107	0.7
Corporation Tax	4,685,046	3,844,380	840,666	21.9
Cigarette Tax	60,931	64,108	(3,177)	(5.0)
Estate, Inheritance, and Gift Tax	106,092	291,504	(185,412)	(63.6)
Insurance Companies Tax	1,093,038	1,012,254	80,784	8.0
Personal Income Tax	19,524,577	18,211,419	1,313,158	7.2
Retail Sales and Use Taxes	13,253,504	12,052,212	1,201,292	10.0
Pooled Money Investment Interest	181,263	60,120	121,143	201.5
Not Otherwise Classified	1,478,651	1,043,605	435,046	41.7
Total Revenues	<u>40,547,356</u>	<u>36,742,749</u>	<u>3,804,607</u>	10.4

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